

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-70827; File No. SR-CBOE-2013-105)

November 7, 2013

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the CBSX Fees Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 29, 2013, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Fees Schedule of its CBOE Stock Exchange (“CBSX”). The text of the proposed rule change is available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below,

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

CBSX proposes to amend its Fees Schedule to remove AAPL, BAC, GOOG, NOK, and SIRI (the “Removed Symbols”) from its list of Select Symbols for whom transactions priced \$1 or greater (all fees addressed in this filing relate to transactions priced \$1 or greater) are assessed a fee of \$0.0050 per share (for Maker executions) and provided a rebate of \$0.0045 per share (for Taker executions). This means that the Removed Symbols will now fall into the “all other securities” category and fees and rebates applicable to “all other securities” will apply to the Removed Symbols, which are as follows (and are not being changed in this proposed rule change):

<b>Execution Type</b>	<b>Rate</b>
Maker (adds less than 0.08% of TCV of liquidity in one day) (1)(5)	\$0.0018 per share
Maker (adds at least 0.08% but less than 0.16% of TCV of liquidity in one day) (1)(5)	\$0.0017 per share
Maker (adds at least 0.16% but less than 0.24% of TCV of liquidity in one day) (1)(5)	\$0.0016 per share
Maker (adds at least 0.24% but less than 0.42% of TCV of liquidity in one day) (1)(5)	\$0.0015 per share
Maker (adds 0.42% or more of TCV of liquidity in one day) (1)(5)	\$0.0014 per share
Taker (removes 9,999,999 shares or less of liquidity in one day (1) or less than 85% Execution Rate)	\$0.0015 rebate per share
Taker (removes 10,000,000 shares or more of liquidity in one day (1) and equal to or greater than 85% Execution Rate)	\$0.0017 rebate per share
Maker (adds liquidity using a silent order)	\$0.0018 per share
Taker (removes silent order liquidity)	\$0.0015 rebate per share
Maker (adds liquidity using a silent-mid or silent-post-mid order)	\$0.0018 per share
Taker (removes silent-mid or silent-post-mid liquidity)	\$0.0015 rebate per share

The Removed Symbols had been included in the Select Symbols in an aspirational attempt to increase liquidity provision in these products, but such increased liquidity has not been achieved. CBSX hopes that moving the Removed Symbols into the “all other securities” category will increase liquidity provision in these products.

As no symbols would be listed in the Select Symbols, footnote (6) of the CBSX Fees Schedule would be amended to read “There are no Select Symbols at this time.” The Exchange does not wish to remove the concept of the Select Symbols (and corresponding fees structure) from the CBSX Fees Schedule because CBSX may desire in the future to move other symbols into the “Select Symbols” and apply the corresponding Select Symbols fees structure to such symbols (of course, the Exchange would submit a proposed rule change in order to effect such a move).

The proposed change is to take effect on November 1, 2013.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>3</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>4</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities. The Exchange believes that it is reasonable, equitable and not unfairly discriminatory to remove the Removed Symbols from the Select Symbols and to assess the Removed Symbols the fees of “all other securities” because

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<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(4).

transactions in these products will merely be assessed the fee and rebate amounts of all other CBSX securities. Further, this move is designed to attract more trading in these products, as placing the Removed Symbols in the Select Symbols (and applying the Select Symbols fees structure to the Removed Symbols) failed to cause the desired increase in trading volume in the Removed Symbols. Finally, these fees for the Removed Symbols will be the same as for all other CBSX securities, and will be assessed equally to all market participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. CBSX does not believe that the proposed rule changes will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes will be applied to all market participants. CBSX does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes only affect trading on CBSX. Further, the proposed changes are designed to incentivize more trading on CBSX, which could encourage other exchanges to enact their own competitive changes. To the extent that the proposed changes make CBSX a more attractive trading venue for market participants on other exchanges, such market participants may elect to become CBSX market participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the

Act<sup>5</sup> and paragraph (f) of Rule 19b-4<sup>6</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2013-105 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2013-105. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>6</sup> 17 CFR 240.19b-4(f).

of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File

Number SR-CBOE-2013-105, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).